



# Department of Justice

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## **P.A. LANDERS, INC. TO PAY \$900,000 FOR CIVIL FALSE CLAIMS ACT VIOLATIONS**

United States Attorney Michael J. Sullivan, Theodore L. Doherty III, Special Agent in Charge of the New England Regional Office of the U.S. Department of Transportation, Office of Inspector General and Lucy Garliauskas, Division Administrator of the U.S. Department of Transportation's Federal Highway Administration-Massachusetts Division Office, announced that the United States has reached agreement with P.A. LANDERS, INC., to settle civil claims filed against the company in 2005.

The civil Complaint filed by the United States alleged that from 1995 through at least 2003, employees of P.A. LANDERS, INC. generated fake and inflated weight slips for truck loads of asphalt on federally-funded paving projects on which P.A. LANDERS, INC. worked. The Complaint alleged that, shortly after the company built its asphalt production plant in Plymouth in 1995, the President of the company, Preston "Skip" Landers, ordered that a manual override device be installed in the plant's computer control room. At the direction of company President Preston Landers, Gregory Keelan, and other company managers, company employees used that override device to generate fake asphalt weight tickets, which did not correspond to any actual asphalt load, as well as inflated asphalt weight tickets, which overstated the amount of asphalt contained in an actual load. The fraudulent asphalt weight tickets were delivered to federally-funded paving projects and later used as the basis for payments to P.A. LANDERS, INC., and ultimately for claims presented to the U.S. Department of Transportation for the federal share of the project costs.

On May 9, 2007, P.A., LANDERS, INC., Preston A. Landers, and Gregory R. Keelan were each found guilty by a jury of Conspiring to Defraud the Commonwealth of Massachusetts and several of its municipalities, and Using the Mails to Defraud the Commonwealth of Massachusetts and Several of its Municipalities, all in connection with the same course of conduct alleged in the civil Complaint. On August 9, 2007, P.A. LANDERS, INC., was sentenced to four years' probation and ordered to pay a fine of \$3 million. Preston Landers was sentenced to 42 months' imprisonment and ordered to pay a fine of \$15,000, and Gregory Keelan was sentenced to 30 months' imprisonment and ordered to pay a fine of \$10,000.

The Government filed its civil Complaint after intervening in a "whistle blower" suit brought in 1999 against P.A. LANDERS, INC. by a former employee of the company, Omar Ali. The case was originally brought under the qui tam or "whistle blower" provisions of the False Claims Act, which permits a private individual to bring suit against a business for submitting or causing the submission of false claims for payment to the United States government. Under the False Claims Act, the United States has the right to conduct an investigation of the allegations and to intervene and take over the action if it chooses to do so. If the law suit is successful, the private plaintiff may receive a share of up to 25 percent of any money recovered for the government. Under the terms of the civil settlement, Mr. Ali will receive 20 percent of the amounts paid by P.A. LANDERS, INC. to settle the United States' claims. The settlement agreement also resolves Mr. Ali's claims for wrongful termination.

The case was investigated by the U.S. Department of Transportation's Office of the Inspector General with assistance from the U.S. Federal Highway Administration, the Massachusetts Highway Department and the Massachusetts Bay Transportation Authority.

The case was prosecuted by Assistant U.S. Attorney George B. Henderson, II in Sullivan's Civil Division.

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